



VIA FACSIMILE: 360-619-6940

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Mr. Dennis Oster  
Customer Account Executive  
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Transmission Business Line  
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**Comments On Proposed Methodology For Determining Available Transmission Capacity**

Dear Dennis:

BP West Coast Products, LLC ("BP") submits these comments on the new methodology under development by BPA/TBL for the determination of Available Transmission Capacity ("ATC"). BP is appreciative of TBL's efforts to incorporate the views of stakeholders in this ATC determination process.

Adequate transmission capacity is key to the future economic welfare of the Pacific Northwest, since both regional electricity demand growth and integration of new generating resources must be accommodated. The existing transmission network must be improved over time to accommodate continued growth, but transmission projects will take many years to permit and construct. In the meantime, BP encourages TBL to account for the diversity of transmission loads into this ATC determination process, to allow the greatest use of the existing system while still maintaining suitable reliability for its customers.

The proposed ATC determination process combines utilized flowgate capacity estimates developed from a seasonal set of Planning methodology cases, with the potential contract rights for these flowgates calculated via the Contract Accounting method. The relative conservatism used in assumptions for generation and loads, treatment of interties, loop flows, and other key factors dictates whether or not the ATC resulting from the proposed method would allow robust utilization of the existing transmission network.

To the extent the Contract Accounting method predicts higher flowgate utilization than the Planning cases, TBL proposes setting aside 20% of the difference as a Transmission Reserve Margin ("TRM") to recognize the uncertainty in nomograms, modeling accuracy and uncertainty in load forecasts. TBL should be complimented for reducing its original proposal

for TRM from 30% of the difference between Planning and Accounting methodologies to 20% of this difference. However, from a Planning methodology point of view, TRM appears to reduce transmission capacity otherwise available to serve new loads or generating resources.

A table of TRM provided at the October 17 public meeting reflecting the 20% figure is attached to this letter. This table shows in some cases TRM still consumes a significant portion of ATC relative to the Planning methodology, and so TBL is encouraged to continue to look for ways to reduce TRM for selected flowgates where ATC uncertainty is lower.

Significant reductions in the TRM percentage should be considered where TRM is 3% or less of the flowgate Total Transfer Capability ("TTC"). In these cases, TBL's risk exposure as suggested by the very conservative Contract Accounting methodology is already a low percentage of TTC.

TBL also introduced a "de minimus" criteria and deadband for requests made across flowgates where the PUF factor is less than 10% and the resulting impact on the flowgate is 10MW or less. TBL should consider that, to the extent TRM is defined for a flowgate, the "de minimus" MW impact could be increased to recognize the size of the reserve margin. (For example, in the case of Raver to Paul, a 10MW de minimus threshold is only about 3% of the 300MW transmission reserve margin.) Perhaps the de minimus MW rule could be the greater of a MW limit or a percentage of the flowgate TRM.

Thank you for providing this opportunity to comment on the proposed methodology.

Very truly yours,



Mark S. Moore  
BP West Coast Products, LLP

cc: Tom Noguchi, BPA  
Cliff Perigo, BPA  
John Cameron, Davis Wright Tremaine  
Craig Martin, TransCanada  
Terri Steeves, TransCanada

TRM Table from 10/17/03 Public Meeting

Last Updated 10/2/03

TTC	1,200	1,200	1,200	1,200
TRM	260	0	0	0
Combined ATC w/ TRM	1,440	274	293	276
Percent of TTC as TRM	22%	0%	0%	0%
TTC	1,900	1,750	1,625	1,625
TRM (1)	340	300	300	300
Combined ATC w/ TRM	1,236	432	346	313
Percent of TTC as TRM	18%	17%	18%	18%
TTC	2,700	2,250	2,250	2,250
TRM	408	115	58	46
Combined ATC w/ TRM	1,735	108	141	65
Percent of TTC as TRM	15%	5%	3%	2%
TTC	1,620	1,620	1,620	1,620
TRM	251	0	0	0
Combined ATC w/ TRM	1,239	143	104	81
Percent of TTC as TRM	16%	0%	0%	0%
TTC	3,500	3,500	3,500	3,500
TRM	672	89	34	33
Combined ATC w/ TRM	3,539	1,242	1,271	1,123
Percent of TTC as TRM	19%	3%	1%	1%
TTC	7,700	7,700	7,700	7,700
TRM (2)	1,054	200	200	200
Combined ATC w/ TRM	3,945	606	669	1,080
Percent of TTC as TRM	14%	3%	3%	3%
TTC	2,850	2,850	2,850	2,850
TRM	328	138	134	158
Combined ATC w/ TRM	655	33	121	309
Percent of TTC as TRM	12%	5%	5%	6%
TTC	10,050	10,050	10,050	10,050
TRM	0	833	787	873
Combined ATC w/ TRM	319	4,201	4,376	4,644
Percent of TTC as TRM	0% (3)	8%	8%	9%
TTC	8,500	8,500	8,500	8,500
TRM	0	490	377	365
Combined ATC w/ TRM	921	3,592	3,777	3,830
Percent of TTC as TRM	0% (3)	6%	4%	4%

(1) Set to 300 MW to account for Chehalis and Centralia generator displacement

(2) Includes 200 MW to account for nomogram

(3) Set to 0 MW due to 1 in 20 winter loading used for Planning case